

PUBLIC EMPLOYEES' RETIREMENT BOARD
100 N Park
Helena MT 59620

Board Legislative Committee Minutes
Tuesday February 20, 2007
1:30 PM

Committee Members: Robert Griffith and Troy McGee.
John Paull was excused

Staff: Roxanne Minnehan, Melanie Symons, Scott Miller,
Kim Flatow, Kathy Samson, MPERA.

Other Attendees: Terrence Smith, Board Member by phone
Stephen Kologi, AMPRE.

Public Comment – *No public comment.*

Approval of Committee Minutes from meeting of Tuesday, February 13, 2007.
Mr. Bob Griffith made a motion to approve the minutes. Mr. McGee seconded the motion. Minutes approved.

Executive Director's Report

No change on Board Bills HB 159, HB 125, HB 129, or the Governor's Bill HB 131.

Bill Review

HB2 – General Appropriations Act. The bill was tabled in the House Appropriations Committee.

HB13 – Pay Plan for state employees. Second reading passed as amended.

HB97 – Revise procedure for review of administrative rules. Passed second reading 99-1. This bill was referred to the House Appropriations Committee.

HB337 – Permissive levy for firefighter disability insurance. This bill has transferred from the House to the Senate. PERA is tracking.

HB544 – Allow for withholding of dues from retirement pensions. This bill was heard on February 13th. The bill is being amended to only affect the Highway Patrol Officers' and the Municipal Police Officers' retirement system. Board still opposes this bill.

HB559 – Increase exclusion of retirement benefits on state income tax. This bill passed out of Committee as amended.

HB618 – Establish statewide account for employee termination costs. This bill was heard on February 19th. PERB is tracking.

HB639 – Create volunteer EMT retirement system. Ms. Minnehan and Ms. Symons spoke with Rep. Bergren about this bill. At the present time, no hearing has been scheduled. However, there are many unanswered questions and concerns about this bill. PERA is prepared to discuss the Boards questions and concerns. At the present time PERB is informational.

HB670 – Retirement systems reports on actuarial costs and other items. This bill was heard in Committee on February 19th. Ms. Minnehan was meeting with Rep. Himmelberger this afternoon to discuss this bill. More information will be available next week.

HB761 – Creditable retirement service for deployed teachers. This bill will be heard on February 23rd. PERA is tracking.

HB765 – Revise retirement laws. The purpose of this bill is to provide certain persons that are serving in the Montana legislature to revoke an irrevocable election. It is not intended to provide duplicate credit for the same service in two retirement systems supported wholly or in part by public funds. The Board will oppose this bill for adverse selection. Also, legislation should not be proposed for a select few individuals.

HB771 – Revise actuarial valuations and reporting for retirement systems. Ms. Minnehan was attending a meeting this afternoon to discuss this bill. The bill appears to be asking for information that is already being provided. It does propose annual actuarial evaluations but allows the extra expense to be excluded from the Board's budget cap. Additional information concerning this bill will be provided next week. PERA is informational at this time.

SB56 – Retirement fund to pay costs for school employees paid with federal funds. The bill has passed the Senate and has moved to the House. This bill does not affect PERA.

SB63 – Increase payment to quasi-judicial board members. This bill passed as amended. Other boards will be added to this bill.

SB340 – Authorized Governor to withdraw proposed rules. The Governor's office opposed this bill. The bill was tabled on February 16th.

SB352 – Exempt 3rd class cites from firefighter age restrictions. This bill is sponsored by Sen. Gary Perry. The bill would amend the age restriction for firefighters in 3rd class cites. Disability rates will increase if the age restriction is limited. Also, to join the FURS the city would only have to pass an ordinance. The Firefighters group, as well as the Board, opposed this bill at the hearing this morning.

SB408 – Governor’s office review of agency rules. This bill was tabled in Committee.

SB467 – Revise membership and meetings of board of investments. This bill will be heard on February 21st. The bill would allow BOI to keep five voting members and add two non-voting members: the Executive Directors from MPERA and Teachers. The Board believes this is a good idea and will monitor.

SB468 – Move certain investment programs from board of investments to Dept. of Commerce. This bill was just received before the meeting. The staff has not had the time to review this bill. More information will be provided next week and the staff will monitor this bill

SB489 - Allow Public Funds to Invest in Private Corporate Capital Stock. This bill was just received before the meeting. The staff has not had the time to review this bill. More information will be provided next week and the staff will monitor this bill.

SB532 – Revise firefighter’s retirement laws. This bill will be heard on February 23rd. There are four major points to this bill.

- 1) Overtime payments in the definition of compensation. This opens the door for spiking final compensation – Board opposes
- 2) Authorizing participation in the retirement system by certain fire departments – Board approves
- 3) Authorizing return to service for a limited number of hours without loss of benefits. There would be loss of contributions on new employees – Board opposes
- 4) Providing a deferred retirement option plan. MPORS DROP was not cost neutral – Board opposes

Un-introduced Legislation

LC0017 – Index postretirement GABA for future PERS and TRS members. This draft was just received today. PERA will study the draft and report back next week.

LC0021 – Annual detailed actuarial valuations for retirement systems. The draft calls for the Board to retain an actuary who is an enrolled member of the American academy of actuaries and who is familiar with public systems of pensions. The Board is opposed because it is not removed from our budget cap.

Other Business

There being nothing else to come before the committee, Mr. Griffith, Chair, adjourned the meeting at 3:00 pm.